

# Committee on Ways and Means

## GOP Tax Policy has American Economy Headed in The Right Direction

Since 2001, Republicans have promoted pro-growth tax policies that have helped the economy recover from recession, terrorist attack, and natural disasters. GOP tax relief has the economy headed in the right direction.

### All Indications Point to a Strong, Vibrant Economy:

**UP**

#### **Jobs**

6.6 million jobs have been created since tax relief in 2003 and more Americans are working than ever.

#### **Income**

Real wages increased 2.2 percent during the past twelve months, and the net worth of American households has grown 75 percent since January 2001.

#### **Tax revenue**

Tax revenues have soared since tax relief in 2003. The last two years saw double digit growth in tax revenues, and September 15<sup>th</sup> was the largest single day tax collection in history.

#### **Stock market**

Dow Jones Industrial Average closed above 12,000 for the first time in history as traders are feeling confident in the strength of the American economy.

#### **GDP**

Gross Domestic Product has grown for 19 consecutive quarters, averaging 3.1 percent growth over that period.

**DOWN**

#### **Unemployment**

The unemployment rate has dropped from a high of 6.3 to a low of 4.6 in September.

#### **Taxes**

GOP tax policy has cut taxes by \$2 trillion since 2001, or an average of \$1,700 per taxpayer

#### **Deficit**

The deficit has dropped to 1.9 percent of GDP, down from 2.6 percent in 2005.

#### **Gas prices**

Gas prices have dropped 85 cents since the beginning of August, putting money back into family budgets.

#### **Inflation**

The Consumer Price Index dropped 0.5 percent in September, as energy prices withdrew from recent highs.

Republicans continue to work to prevent a massive Democrat-supported tax increase that would reverse economic gains and raise Americans' costs of living. If the tax relief is allowed to expire, the average American family would see their taxes rise by more than \$2,000 per year.

Having called the tax cuts "beyond irresponsible," Representative Charlie Rangel (D-NY), the ranking member on the House Ways and Means Committee, said he "cannot think of one" of George Bush's first term tax cuts that merit renewal.

*(Source: New York Times, "Big Gain For Rich Seen In Tax Cuts For Investments," By David Cay Johnston, 4/5/06; Bloomberg, "Rangel Vows Bipartisanship, Action On Trade As House Panel Head," By Ryan Donmoyer, 9/20/06)*